

FOR SETTLEMENT PURPOSES ONLY - SUBJECT TO FR EVID 408

March 30, 2012

Via Electronic and Regular Mail

Sarah P. Flanagan
Office of Regional Counsel
New Jersey Superfund Branch
USEPA Region II
290 Broadway, 17th Floor
New York, NY 10007

Re: Lower Passaic River Study Area – RM 10.9 Draft Removal AOC

Dear Sarah:

On behalf of the LPRSA Cooperating Parties Group (CPG), I herewith submit a markup of the draft Administrative Settlement Agreement and Order on Consent for Removal Action (AOC). I also attach a clean copy for your convenience. The AOC markup is submitted to EPA, under Federal Rule of Evidence 408, for settlement purposes only. As I have previously advised you, any agreement by the CPG is contingent upon three components: (1) a mutually acceptable form of AOC; (2) a mutually acceptable form of a Statement of Work (and other appendices to the AOC); and (3) a successful allocation of costs among the CPG members. Processes to achieve each of these components are underway.

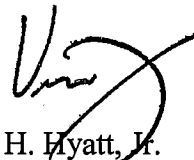
Most of the edits are self-explanatory. I did want to mention, however, that I have included language which would tie future remedial decision-making to the completion of the pilot studies, even though you have made your objection clear on this subject. As I have

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explained, this concept is critical to the members of the CPG. We cannot imagine the rationale for conducting pilot studies that are intended to inform future remedial decision-making, yet issuing a proposed plan for a portion of the River before the pilots have been completed. I am hopeful that we can find some way of resolving this difficult issue, and I have included the CPG's proposed language as a reminder that the issue is still unresolved.

Please let me know how you would like to proceed. I am available to discuss this AOC with you, on the phone or in person.

Very truly yours,



William H. Hyatt, Jr.